

## Oconee Financial Corporation Reports Fourth Quarter 2020 Results

WATKINSVILLE, Ga., February 4, 2021/PRNewswire/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the fourth quarter of 2020. Unaudited net income for the three months ending December 31, 2020, was \$333,597 or \$0.37 per common share. This compares to \$1,936,380 or \$2.17 per common share for the fourth quarter of 2019 and \$516,483 or \$0.58 per common share for the third quarter of 2020. Fourth quarter 2020's results included \$387,500 of loan loss provision expense versus \$142,500 for the fourth quarter of 2019 and \$487,500 for the third quarter of 2020. Fourth quarter 2019's results included an after-tax gain on sale of Oconee's operations center of \$1.3 million, or \$1.45 per common share.

Unaudited net income for the year ended December 31, 2020 was \$1,888,792 or \$2.11 per common share. This compares to \$3,759,365 or \$4.20 per common share for YTD as of December 31 of the prior year. This represents a decrease of 49.8% in net earnings for the year ended December 31, 2020 as compared to the same period in 2019. Excluding the gain on sale of the operations center, net income declined \$573 thousand or \$0.64 per share.

Total assets as of December 31, 2020, were \$494.5 million, compared to total assets of \$399.5 million as of December 31, 2019, an increase of \$95.0 million, or 24%. Total loans were \$319.6 million and deposits were \$444.7 million as of December 31, 2020. This compared to total loans of \$248.8 million and deposits of \$361.5 million at December 31, 2019. As of December 31, 2020, total loans have increased 28.5% and total deposits have increased 23.0% versus December 31, 2019.

Neil Stevens, President and Chief Executive Officer of Oconee stated "our fourth quarter results were impacted by an additional loan loss provision of \$200,000. This follows an additional \$300,000 loan loss provision in the third quarter of 2020. While credit quality remains stable, we believe it was prudent in light of current economic conditions to book an additional loan loss provision this year of \$500,000.

Stevens added "we've been privileged to play a very essential role in helping businesses in our communities recover from the economic impact of COVID-19. In 2020, we loaned over \$55 million in PPP loans to over 600 businesses. We stand ready to assist customers with the next round of PPP loans."

Oconee Financial Corporation is headquartered in Watkinsville, Georgia and operates four full-service branches and one limited-service loan production office. In February 2021, Oconee State bank celebrated 61 years of service and continues to be the only locally owned and operated community bank headquartered in Oconee County. Oconee State Bank has proudly served the local community, providing an unparalleled commitment to personalized service, innovative products and solutions, and strives to bring exceptional value to our customers through local ownership, involvement and decision-making. We continuously strive to create remarkable experiences that significantly mark the lives of others.

**OCONEE FINANCIAL CORPORATION**  
**BALANCE SHEET**

	12/31/2020	12/31/2019
	(Unaudited)	
<u>ASSETS</u>		
Cash and due from banks	\$ 76,418,430	\$ 38,099,324
Securities available for sale (at fair value)	75,548,813	99,228,506
Other investment	359,700	314,900
Mortgage loans held for sale	6,408,720	1,572,800
Loans, less allowance for loan losses	319,567,770	248,771,230
Premises and equipment	5,103,036	4,294,867
Other real estate owned	--	--
Other assets	11,129,233	7,239,812
Total Assets	\$ 494,535,702	\$ 399,521,439
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 444,701,932	\$ 361,522,574
Repurchase agreements	--	--
Subordinated debenture, net of capitalized expenses	9,770,497	--
Dividends payable	--	--
Other borrowings	--	--
Accrued expenses and other liabilities	1,928,168	2,331,769
Total Liabilities	456,400,597	363,854,343
 Stockholder's Equity:		
Common Stock	1,794,250	1,793,760
Restricted Stock	(37,977)	(36,745)
Additional Paid in Capital	4,147,114	4,139,146
Retained earnings	30,850,979	29,501,154
Unrealized gain/loss on securities	1,380,739	269,781
Total Stockholder's Equity	38,135,105	35,667,096
Total Liabilities and Stockholder's Equity	\$ 494,535,702	\$ 399,521,439

**OCONEE FINANCIAL CORPORATION**  
**STATEMENT OF INCOME - QTD**

	12/31/2020	12/31/2019
	(Unaudited)	
Interest Income:		
Loans	\$ 3,702,713	\$ 3,221,637
Securities available for sale		
State, County & Municipal	150,758	93,972
Treasuries & Agencies	139,227	296,051
Corporate	45,187	--
Federal funds sold & other	23,305	145,286
Total Interest Income	4,061,190	3,756,947
Interest Expense:		
Deposits	287,415	475,516
Other	180,617	398
Total Interest Expense	468,032	475,914
Net interest income	3,593,158	3,281,033
Provision for loan losses	387,500	142,500
Net income after provision for loan loss	3,205,658	3,138,533
Noninterest income		
Service charge on deposit accounts	114,185	139,893
Gain on Sale of Assets	500	1,781,545
Securities gains (losses), net	--	930
Mortgage banking income	668,645	194,979
SBA loan related income	26,539	271,413
Commissions on investment sales	106,387	123,821
Other	337,942	306,319
Total noninterest income	1,254,199	2,818,900
Noninterest expense		
Salaries and employee benefits	2,593,870	2,178,654
Occupancy	304,014	380,418
Other operating	1,203,960	872,193
Total noninterest expense	4,101,844	3,431,265
Income before provision for income tax	358,013	2,526,168
Provision for income taxes	24,415	589,788
Net Income	\$ 333,597	\$ 1,936,380
Period-Ending Outstanding Shares	897,125	896,880
Weighted Average Shares Outstanding	896,163	895,742
QTD Earnings Per Common Share	\$ 0.37	\$ 2.17

**OCONEE FINANCIAL CORPORATION**  
**STATEMENT OF INCOME-YTD**

	12/31/2020 <u>(Unaudited)</u>	12/31/2019 <u></u>
Interest Income:		
Loans	\$ 14,587,768	\$ 12,381,600
Securities available for sale		
State, County & Municipal	407,768	454,790
Treasuries & Agencies	804,391	1,259,350
Corporate	58,594	--
Federal funds sold & other	203,373	375,577
	<u>16,061,894</u>	<u>14,471,317</u>
Interest Expense:		
Deposits	1,597,785	1,523,254
Other	316,410	11,211
Total Interest Expense	<u>1,914,195</u>	<u>1,534,465</u>
Net interest income	14,147,699	12,936,852
Provision for loan losses	<u>1,250,000</u>	<u>570,000</u>
Net income after provision for loan losses	12,897,699	12,366,852
Noninterest income		
Service charges on deposit accounts	453,798	584,527
Gain on Sale of Assets	(17,655)	1,781,545
Securities gains (losses), net	182,860	7,437
Mortgage banking income	1,919,163	518,339
SBA loan related income	615,891	1,076,190
Commissions on investment sales	536,908	510,184
Other	1,258,024	1,249,918
Total noninterest income	<u>4,948,990</u>	<u>5,728,140</u>
Noninterest expense		
Salaries and employee benefits	10,085,635	8,493,647
Occupancy	1,204,014	1,358,796
Other operating	4,301,175	3,465,678
Total noninterest expense	<u>15,590,824</u>	<u>13,318,121</u>
Income before provision for income taxes	2,255,864	4,776,871
Provision for income taxes	<u>367,072</u>	<u>1,017,506</u>
Net Income	<u>\$ 1,888,792</u>	<u>\$ 3,759,365</u>
Period-Ending Outstanding Shares	897,125	896,880
Weighted Average Shares Outstanding	896,163	895,742
YTD Earnings Per Common Share	\$ 2.11	\$ 4.20